



# EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICERS:</b>	Director of Finance (Please Select)
<b>DATE:</b>	10 March 2022

<b>PORTFOLIO/S AFFECTED:</b>	ALL	(Please Select...)
<b>WARD/S AFFECTED:</b>	All	(Please Select...)
<b>KEY DECISION:</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

**SUBJECT: Procurement Strategy and Social Value Policy**

## 1. EXECUTIVE SUMMARY

The Council has developed a new Procurement Strategy and Social Value Policy to ensure that every pound the Council spends maximises value for money for the borough and helps to deliver the priorities of the Council.

## 2. RECOMMENDATIONS

That the Executive Board:

- approves the Procurement Strategy and Social Value Policy
- notes that the Social Value Policy will now be taken to Full Council for approval

## 3. BACKGROUND

The Council's previous procurement strategy was out of date and in need of updating to respond to a range of factors that make effective procurement more important than ever.

Social Value has been approached by the Council on a case by case basis to date with some successes but there is an opportunity to drive out much more benefits for the borough with a policy that sets out a clear approach and priorities.

The Government has issued a National Procurement Policy and a number of Procurement Policy Notes which set out the government's priorities for procurement as the country recovers from the effects of the pandemic. The Government has also issued a Green Paper on Transforming Public Procurement setting out its proposals for changes to procurement regulations after the UK's departure from the European Union.

Procurement will play a key role in the Council delivering its medium term financial strategy and in meeting the aim of being net zero by 2030 set out in the Climate Emergency Declaration. In addition pressures in supply chains caused by the pandemic and Brexit have emphasised the need for effective procurement and contract management.

The Council has also recently participated in a Local Government Association (LGA) benchmarking exercise for procurement which identified a number of areas of strength to be built on together with some opportunities to strengthen the Council's procurement arrangements. Notable strengths were related to working with partners, managing strategic risk and engaging VCSEs. Areas for improvement included engaging Councillors, contract and relationship management and obtaining social value. Implementation of the strategy and policy will address these areas for improvement.

The Procurement Strategy and Social Value Policy provides the outline and framework for the Council's response to the above issues and challenges.

#### **4. KEY ISSUES & RISKS**

The Procurement Strategy sets out the roles and responsibilities of different teams in departments in relation to procurement. This largely reflects roles and responsibilities currently set out but also seeks to enhance the role of elected members in line with the feedback from the LGA assessment. The strategy then sets out 5 priorities for procurement in the Council and an Action Plan to deliver those priorities. Those priorities are:

- Supporting the Local Economy
- Achieving Savings
- Delivering Social Value
- Responding to Climate Change
- Being Effective and Efficient

The Social Value Policy summarises the Council's approach to Social Value to date and the proposed policy going forward. The approach under the policy is different for high value contracts (those above the threshold for services under the Public contracts regulations 2015 – currently £213k) and low value contracts (those below that value).

The policy recognises that local suppliers are more likely to deliver social value and so it is proportionate to take an approach for low value contracts that there should be a focus on using local providers where possible. In addition for low value contracts the policy sets out that the council will require minimum social value commitments from providers.

For high value contracts the policy sets out that 15% of the evaluation criteria must be for social value. The policy sets out that this will be determined by how suppliers can help the Council meet some of its biggest challenges which are set out in the policy, these are:

- Helping the borough meet its target to be carbon neutral by 2030
- Helping disadvantaged children and young people in Blackburn with Darwen overcome the challenges those disadvantages bring
- Helping the people and businesses of the borough recover from the economic impact of Covid 19
- Helping the people of Blackburn with Darwen overcome some of the worst health inequalities in the country by addressing social determinants of health
- Helping the Our Community Our Future Strategy by connecting our communities to improve integration across a diverse borough
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The policy sets out that these priorities will be reviewed annually and updated to reflect the latest challenges facing the borough.

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## 5. POLICY IMPLICATIONS

The strategy and policy have been developed to align with other key Council policies including the Corporate Plan, the Start Well Strategy, the Climate Emergency Declaration and the Our Community our Future Strategy. The strategy and policy shall also help the Council comply with the National Procurement Policy and Procurement Policy Notes.

## 6. FINANCIAL IMPLICATIONS

There are no direct financial implications of approving the strategy and the policy. The nature of the strategy and the policy is to set the framework within which the procurement of goods and services will be undertaken. The financial implications of individual procurements will, as required, be reported in line with the Council's Constitution.

Effective implementation of the strategy should help the Council deliver its medium term financial strategy. It should be noted that by allocating 15% of tender evaluation criteria to social value may result in awarding contracts to higher priced bidders than if this were not included however the overall value for money for the borough in the long term should outweigh the increase in cost.

## 7. LEGAL IMPLICATIONS

The proposed strategy and policy will help the Council meet its legal obligations in relation to procurement including under the Public Contracts Regulations 2015 and Social Value Act 2012. The government is currently in the process of developing new procurement regulations. Part of the strategy is designed to ensure the Council is ready to adapt and drive maximum value from the opportunities presented by these new regulations.

## 8. RESOURCE IMPLICATIONS

Implementation of the policy and strategy will be done from within existing resources primarily within the Contracts and Procurement team.

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## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

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## 10. CONSULTATIONS

The policy and strategy have been produced following consultation with officers across all departments in the Council.

**11. STATEMENT OF COMPLIANCE**

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

**12. DECLARATION OF INTEREST**

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Christopher Bradley</b>
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<b>DATE:</b>	9 February 2022
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<b>BACKGROUND PAPER:</b>	Procurement Strategy 2022-25 Social Value Policy
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